

SYN. NO. _____

AGN. NO. _____

MOTION BY SUPERVISOR ZEV YAROSLAVSKY

OCTOBER 17, 2006

AMENDMENT TO ITEMS #29, 30, 31

On September 26, 2006 the Board of Supervisors considered two contracts for maintenance services for the Department of Parks and Recreation. Each contract was for a two-year period with three one-year renewal options. The contracts envisioned workers earning the "Living Wage" and also anticipated potential Cost of Living Adjustments (COLAs) whereby the Department could increase the contractors' compensation during the option years. On my motion, the Board voted to amend the contracts to require that any COLA exclude the cost of labor from the base upon which the COLA was to be calculated, unless the contractor could show that his/her labor costs would actually increase. My motion to apply such a provision to all Living Wage contract COLA provisions was referred to the Chief Administrative Officer with a request that he work with the Director of Personnel to determine the cost impacts of establishing such a policy.

On October 5, 2006 the CAO provided his response to this request. The CAO reported that "if the COLA policy is amended by your Board to include this provision, we believe overall COLA contract costs will decrease, resulting in increased savings for the County." The CAO reported further that there will be "undetermined administrative expense related to implementing and monitoring the policy." However, since the

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County already monitors Living Wage contracts it is clear that any such expense will be far outweighed by the cost savings.

Implementation of such a policy is warranted to ensure that the County is not paying “cost of living adjustments” for labor costs to contractors whose labor costs have not increased.

I, THEREFORE, MOVE that the Board of Supervisors :

1. Approve a policy requiring that all COLA provisions in Living Wage contracts exclude the cost of labor from the base upon which the COLA is calculated, unless the contractor can show that his/her labor costs will actually increase, and instruct the Chief Administrative Officer to update the Policy Manual to reflect this provision.
2. Direct departments to immediately include this provision, as applicable, in their current contracting processes, including any Requests for Proposals, contract negotiations, contract recommendations and contract awards. Contract language to accomplish this objective, revising existing COLA language, is attached.
3. In the event that a department is at the contract award stage of the solicitation process and the recommended vendor is unwilling to adhere to this new provision, authorize the department to execute month-to-month contract extensions with the incumbent contractor pending resolicitation and award.

I FURTHER MOVE that the contracts with TruGreen LandCare, Branch 6169, Sepco Earthscape, Inc. and TruGreen LandCare, Branch 6246 (items #29, 30 and 31 respectively) be amended, per the attachment, to require that those portions of the contractor's

compensation that represent the cost of labor be excluded from the calculation of any Cost of Living Adjustment, unless the contractor can show that his/her labor costs have actually increased.

COST OF LIVING ALLOWANCE LANGUAGE FOR LIVING WAGE CONTRACTS

Amendment language:

“The contract (hourly, daily, monthly, etc.) amount may be adjusted annually based on the increase or decrease in the U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index (CPI) for the Los Angeles-Riverside-Orange County Area for the most recently published percentage change for the 12-month period preceding the contract anniversary date, which shall be the effective date for any cost of living adjustment. However, any increase shall not exceed the general salary movement granted to County employees as determined by the Chief Administrative Office as of each July 1 for the prior 12-month period. Furthermore, should fiscal circumstances ultimately prevent the Board from approving any increase in County employee salaries, no cost of living adjustments will be granted. Where the County decides to grant a cost of living adjustment (COLA) pursuant to this paragraph for contract option years, it may, in its sole discretion exclude the cost of labor (including the cost of wages and benefits paid to employees providing services under this contract) from the base upon which a COLA is calculated, unless the contractor can show that his/her labor cost will actually increase.”